

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7024

BILL NUMBER: SB 301

NOTE PREPARED: Jan 27, 2011

BILL AMENDED:

SUBJECT: Automated Record Keeping Fee.

FIRST AUTHOR: Sen. Bray

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that in all civil, criminal, infraction, and ordinance violation actions, the clerk of the court shall collect an automated record keeping fee in the following amounts: (1) \$7 before July 1, 2011. (2) \$10 after June 30, 2011, and before July 1, 2015. (3) \$7 after June 30, 2015.

(The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues: The following table projects the new revenue that would be collected from increasing the fee from \$4, its level in current statute beginning after June 30, 2011. Under current law, the Automated Record Keeping Fee will decrease from the current \$7 to \$4 beginning July 1, 2011. This bill will increase the fee from the current \$7 to \$10 effective July 1, 2011.

The following table shows the revenue history of the previous two years of the Automated Record Keeping Fees and their reported revenues and the projected revenues for FY 2012 through 2015, when the fee would be increased to \$10. Over these four years, the added revenue is estimated to be \$24.8 M. Beginning July 1, 2015, the Automated Record Keeping Fee would be reduced to \$7, which would be \$3 more than what is scheduled under current law. For these next two fiscal years (FY 2016 and FY 2017) the new revenue is projected to be \$6.22 M.

New Revenue in \$Millions Deposited into State User Fee Fund								
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Fee under Current Law	\$7.00	\$7.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Proposed Fee			\$10.00	\$10.00	\$10.00	\$10.00	\$7.00	\$7.00
Reported and New Revenue (in \$M)	\$6.87¹	\$8.17¹	\$6.23²	\$6.23²	\$6.23²	\$6.23²	\$3.11²	\$3.11²
Notes: ¹ Reported Revenue ² Projected Revenue from each \$1 change equaling about \$1.034 M (see following table).								

The new revenue shown in the table above would be deposited into two different funds:

- When an accused person agrees to enter into a pretrial diversion program (IC 33-19-1-8) or a pretrial deferral program (IC 34-28-5-1), the money from the Automated Record Keeping Fee is deposited into the Homeowners Protection Unit Account established by IC 4-6-12-9.
- For all other civil, criminal, or other cases, the fee is deposited into the State User Fee Fund and a portion is ultimately deposited in the Judicial Technology and Automation Project.

Background Information – The revenue generated from the Automated Record Keeping Fee is deposited in the State User Fee Fund along with revenue from six other fees. On June 30th and December 31st of each year, \$1,288,000 is deposited into eight funds. Any remaining balance is deposited into the Judicial Technology Automation Project Fund. The added revenue from this bill would ultimately increase funding for the Judicial Technology Automation Project, which is administered by the Indiana Supreme Court. With no change in statute, the Automated Record Keeping Fee would decline from the current \$7 to \$4 and the fund would receive an estimated \$3.3 M less each year from its current levels.

The estimated revenue per dollar (\$1,037,988) is based on the revenue collected from the automated record keeping fee that is reported in the Auditor's Data Base.

Automated Record Keeping Fee Revenue Reported by Fiscal Year						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fee Level	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Total Revenue Reported	\$7,176,700	\$7,039,496	\$7,166,376	\$7,167,670	\$6,869,244	\$8,176,027
Average Revenue Per Dollar	\$1,025,243	\$1,005,642	\$1,023,768	\$1,023,953	\$981,321	\$1,168,004
Average Revenue Per Dollar Between 2002 and 2007 = \$1,037,988						
Source: Auditor's Data Base						

Language originally creating the Automated Record Keeping Fee also created the Judicial Technology Automation Project Fund (HEA 1130 – 2001).

The revenue generated from the Automated Record Keeping Fee is deposited in the State User Fee Fund along with revenue from six other fees. On June 30th and December 31st of each year, \$1,288,000 is deposited

into eight funds. ***Any remaining balance*** is deposited into the Judicial Technology Automation Project Fund.

The Auditor of State reports the history of revenue deposited into the State User Fee Fund. The revenue deposited into the State User Fee Fund and the amount of revenue that the Judicial Technology and Automated Project Fund received as part of the formula under IC 33-37-9-4 are shown in the table below.

FY	Automated Record Keeping Fee	State User Fee Fund Deposits	Amount Deposited into 8 Funds	Balance Remaining for Judicial Technology and Automated Project Fund
2004	\$7.00	\$9,219,382	\$2,576,000	\$6,643,382
2005	\$7.00	\$9,814,346	\$2,576,000	\$7,238,346
2006	\$7.00	\$9,498,948	\$2,576,000	\$6,922,948
2007	\$7.00	\$9,280,884	\$2,576,000	\$6,704,884
2008	\$7.00	\$9,705,837	\$2,576,000	\$7,129,837
2009	\$7.00	\$10,226,736	\$2,576,000	\$7,650,736
2010	\$7.00	\$10,098,191	\$2,576,000	\$7,522,191

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Division of State Court Administration.

Local Agencies Affected: Trial courts, city and town courts, Marion County Township Small Claims Courts, clerks of circuit courts, and city and town courts.

Information Sources: Auditor of the State, Indiana Code; *Indiana Judicial Reports*, 2002 through 2007.

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